

Community Development Block Grant Fund

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T*o provide funding for local community projects and services which further the objectives of the Federal Community Development Block Grant (CDBG) program. The national objectives of the program are to provide assistance to persons of low- and moderate-income, prevent or eliminate slums and blight, or meet an urgent community development need.*

CDBG funds are granted to programs and projects carried out by local non-profit organizations and by City departments. By federal regulation, up to fifteen percent of the City's CDBG grant and program income may be allocated to public service activities. By City policy, all of these funds are provided to non-profit organizations that provide community services including but not limited to: emergency and homeless assistance; legal services; services for seniors, youth and persons with disabilities, fair housing activities, and employment services.

Up to twenty percent of the CDBG allocation may be used for administration, fair housing, and planning activities. The remainder of the CDBG funds are allocated to community development activities and construction, and awarded to nonprofit organizations and City departments for activities such as capital projects, housing improvements, neighborhood revitalization, code enforcement, job creation, and economic development.

Community Development Block Grant

Budget Summary

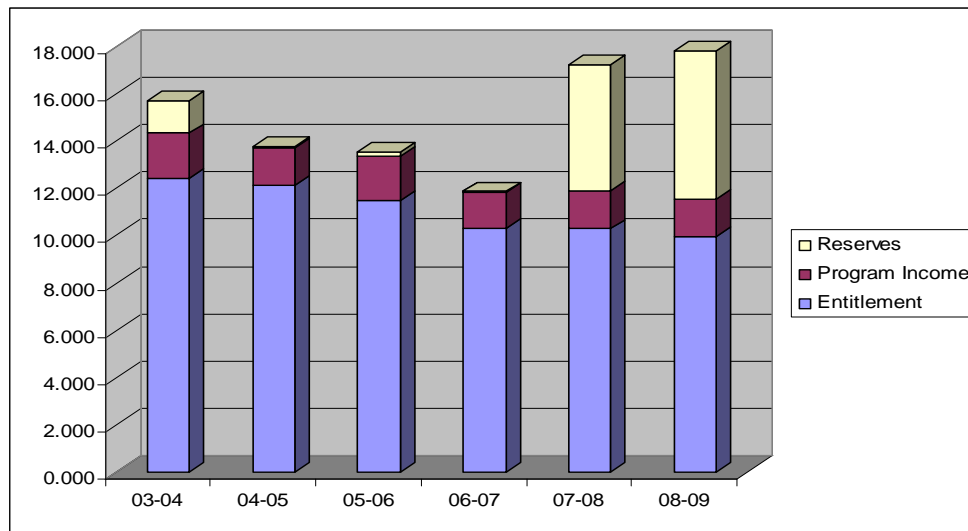
	2007-2008 Adopted	2008-2009 Adopted	Change
Contractual Community Services	\$ 1,783,338	\$ 1,731,282	(2.9%)
Community Development Improvements	\$ 15,365,179	\$ 16,010,325	4.2%

Budget Highlights 2008-2009

- ❑ In 2008-2009, \$6.2 million of reserve funds are being made available to non-profit organizations and City departments for community development activities and construction projects.
- ❑ Funding for City projects is focused on economic development activities and improvements to the Strong Neighborhoods Initiative areas. An emphasis on Green projects was applied to all City applications to maximize the positive benefit to the entire community.
- ❑ Revolving Loan Fund for the Small Business Development Program will continue in 2008-2009, which will provide loans and business development training for small businesses.
- ❑ In 2008-2009, the annual CDBG entitlement award will be \$9.9 million, a 3.4% reduction from the 2007-2008 entitlement. The City's annual entitlement has decreased by 25% from a high of \$13.5 million in 1995-1996.
- ❑ For 2008-2009, funding priorities were established for public service programs that addressed: stabilization and counseling, services to special needs populations, and self-sufficiency.

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CDBG FUNDING



Community Development Block Grant

Fund Overview

The City's Community Development Block Grant (CDBG) Program budget is based on a 2008 entitlement grant of \$9.94 million, a decrease of \$347,000 (3.4%) from the 2007-2008 entitlement. Annual program income from repayment of prior CDBG housing rehabilitation and revolving loans is estimated to remain at \$1.6 million, the same level as 2007-2008. Additionally, in 2008-2009, the program expects to utilize approximately \$6.2 million in funds available from prior years. These funds are primarily a result of prior projects that were not completed or that came in under-budget. Of the total \$17.8 million in the 2008-2009 budget, approximately \$1.7 million will be available for public service programs through the Contractual Community Services (CCS) category, and approximately \$16.0 million will be available for Community Development Improvements (CDI), of which \$2.3 million is used for Planning and Fair Housing activities, and Administration.

Contractual Community Services

Thirty applications from non-profit agencies offering services to San José residents were approved for funding in 2008-2009. Programs funded under this category offer a variety of services to the community, including job training and referrals, legal assistance, housing assistance, and assistance to special needs populations such as seniors, the disabled, and youth. Among the agencies approved for funding are:

- ❑ The Legal Aid Society, which provides housing counseling services to low-income residents, including legal representation and mediation. (\$117,151)
- ❑ Senior Adults Legal Assistance, which provides free legal services to low-income

seniors at twelve San José senior centers. (\$74,518)

- ❑ The Mexican American Community Services Agency (MACSA) Youth Center, which provides academic tutoring, cultural enrichment activities, sports, recreation and fitness, health education, nutrition, and day care services to low-income and at-risk youth. (\$116,787)
- ❑ Next Door Solutions to Domestic Violence, which provides up to 30 days of safe emergency housing for San José victims of domestic violence and their children. (\$78,377)
- ❑ Emergency Housing Consortium (EHC) Lifebuilders, which provides housing and services, tenant education, employment evaluations, and case management to 2,000 homeless adults, families, and youth. (\$52,054)
- ❑ Silicon Valley Independent Living Center, which provides housing referral, advocacy, and placement services related to the special needs of persons with disabilities. (\$25,950)

Community Development Improvements

As discussed above, approximately \$16.0 million in funding was approved for 2008-2009 CDI projects. A focus of attention for City projects will be "green" activities that also include economic development and job creation, as well as improvement projects for Strong Neighborhood Initiatives (SNI) areas.

The following are highlights of the 2008-2009 Adopted Budget:

- ❑ A Revolving Loan program will provide loans and small business development

Community Development Block Grant

Fund Overview (Cont'd.)

Community Development Improvements (Cont'd.)

training. Funding includes approximately \$200,000 in program income from repayment of prior small business loans. (\$800,000)

- ❑ The Smart Start program, operated by the San José Public Library, supports the incubation of childcare businesses by providing small business assistance and training for individuals interested in owning and operating childcare facilities. Expansion of the project, from the 2007-2008 allocation of \$271,000, will enable support of 65 entrepreneurs. (\$403,157)
- ❑ Retrofit existing municipal structures with green technology, including energy audits, water management, cool and green roofs, energy/green building education and outreach, and green job training. (\$500,000)
- ❑ The SNI Curb Ramp Improvement Project, which will install approximately 250 curb ramps to meet Americans with Disability Act (ADA) requirements on existing sidewalks, specifically in school walking routes, and near parks and areas with a high elderly ratio within SNI areas. (\$1.0 million)
- ❑ Code Enforcement Housing Inspections project strives to preserve and improve the quality of existing affordable housing

units in low- and moderate-income areas and SNI areas through code inspection and enforcement activities. (\$2,143,110)

- ❑ Code Enforcement services to remove abandoned vehicles and improperly stored inoperable vehicles from private property in low and moderate-income neighborhoods. Also targets code enforcement services to remove blight, weeds, and dangerous conditions from vacant lots within low and moderate-income areas. (\$338,945)
- ❑ Code Enforcement commercial project targets commercial parcels with dangerous or blighted conditions, such as garbage accumulations, hazardous materials, unpermitted construction, illegal dumping, graffiti, lack of adequate lighting, or other unsafe conditions. (\$564,752)
- ❑ The Housing Rehabilitation Program provides low-interest and deferred loans and grants to low-income borrowers and loans to rental property owners to improve properties occupied by low- and moderate-income households in the City of San José with special emphasis on SNI areas. (\$2.5 million)

In addition, various housing services and emergency assistance efforts will continue to support low-income households and areas in San José in 2008-2009.

Community Development Block Grant

Fund Summary

	2006-2007 Actual 1	2007-2008 Adopted 2	2008-2009 Adopted 3	% Change (2 to 3)
Dollars by Sources				
Beginning Fund Balance	\$ 10,972,157	\$ 8,797,563	\$ 8,667,943	(1.5%)
CDBG Entitlement	10,313,709	10,288,923	9,941,878	(3.4%)
Housing Rehabilitation Loan	1,306,000	1,400,000	1,400,000	0.0%
Program Income				
Other Revenue	285,195	200,000	200,000	0.0%
Total	\$ 22,877,061	\$ 20,686,486	\$ 20,209,821	(2.3%)
Dollars by Uses				
Contractual Community Services	\$ 1,753,994	\$ 1,783,338	\$ 1,731,282	(2.9%)
Community Development Improvements	10,075,833	15,365,179	16,010,325	4.2%
Ending Fund Balance and Miscellaneous	11,047,234	3,537,969	2,468,214	(30.2%)
Total	\$ 22,877,061	\$ 20,686,486	\$ 20,209,821	(2.3%)

Community Development Block Grant

Budget Category: Contractual Community Services

Budget Category Overview

Contractual Community Services (CCS) funds may be used for activities defined as public services under CDBG regulations. These funds support programs that provide services in the areas of community service, recreation, child care, legal services, senior services, services for persons with

disabilities, youth services, transportation for seniors, homeless assistance, and employment services. The total available for this category in 2008-2009 is \$1,731,282. By policy, the City makes all of these funds available to local non-profit organizations.

Budget Category Summary

	2006-2007 Actual 1	2007-2008 Adopted 2	2008-2009 Adopted 3	% Change (2 to 3)
Contractual Community Services	\$ 1,753,994	\$ 1,783,338	\$ 1,731,282	(2.9%)
Total	\$ 1,753,994	\$ 1,783,338	\$ 1,731,282	(2.9%)

Community Development Block Grant

Budget Category: Contractual Community Services

Budget Category Summary (Cont'd.)

The following projects were approved for funding in the 2008-2009 Adopted Budget from the Contractual Community Services (CCS) allocation.

Adopted Allocation	2008-2009 Amount
Alzheimer's Activity Center (Respite and Research for Alzheimer's Disease)	\$ 29,478
Asian Law Alliance (Asian Law Alliance, Inc.)	44,395
Blind Rehabilitation and Therapeutic Services (Santa Clara County Blind Center)	64,778
Day Break Caregiver Support Services Program (Catholic Charities of San José)	57,443
Deaf for Self-Sufficiency Program (Deaf Counseling, Advocacy & Referral Agency)	28,636
Ethiopian Community Center (Ethiopian Community Services, Inc.)	31,441
Family Self Sufficiency (Housing Authority of Santa Clara County)	68,021
HomeSafe Solutions - San José (Next Door Solutions to Domestic Violence)	33,416
Housing Program for Person with Disabilities (Silicon Valley Independent Living Center)	25,950
Housing Search and Stabilization Program (Catholic Charities of Santa Clara County)	70,272
Juvenile Drug Treatment Court Mentoring Program (Fresh Lifelines for Youth, Inc.)	34,840
Katherine & George Alexander Community Law Center (Santa Clara University)	27,539
Legal Aid Society Fair Housing Counseling (Legal Aid Society of Santa Clara County)	117,151
Legal Assistance to Elders (Senior Adult Legal Assistance)	74,518
Legal Eagle (Fresh Lifelines for Youth, Inc.)	40,171
Long Term Care Ombudsman Program (Catholic Charities of Santa Clara County)	28,350
MACSA Adult Day Health Care Services (The Mexican American Community Services Agency, Inc.)	27,843
MACSA Youth Center Services (The Mexican American Community Services Agency, Inc.)	116,787
Residential Care Ombudsman Program (Mental Health Advocacy Project of the Law Foundation of Silicon Valley)	25,950
San José H.O.M.E.S. at Boccardo Reception Center (EHC Lifebuilders)	52,054
Senior Adult Day Care/Respite (Live Oak Adult Day Services)	30,071
Senior Health Transportation Program (Outreach and Escort, Inc.)	49,873
Shelter Next Door (Next Door Solutions to Domestic Violence)	78,377
Step-up to Brighter Futures (Community Partners for Youth)	101,746
Tech Santa Clara County Tools for Ending Chronic Homelessness (Community Technology Alliance)	109,140
Vietnamese Employment Services (Vietnamese Voluntary Foundations)	42,801
Vietnamese Senior Services (Vietnamese Voluntary Foundation)	51,202
Young Women's Empowerment Project (Catholic Charities of Santa Clara County)	47,519
Youth Opportunities Unlimited (The Mexican American Community Services Agency, Inc.)	118,481
YWCA Child Care Consortium (YWCA in Santa Clara Valley)	103,039
Total Contractual Community Services	\$ 1,731,282

Community Development Block Grant

Budget Category: Community Development Improvements

Budget Category Overview

The largest portion of the City's CDBG funds go to the Community Development Improvements (CDI) category. This category consists primarily of code enforcement, physical improvements, economic development activities, planning studies, and related administrative activities performed by or under the direction of City staff. Approved funding and staffing for City projects are shown in the operating or capital

budgets of the applicable departments (i.e., Planning, Building and Code Enforcement; San José Redevelopment Agency; Transportation; Housing; the Office of Economic Development; and the Library). In addition, funds may be provided to eligible non-profit organizations for physical improvements, fair housing, or economic development activities.

Budget Category Summary

	2006-2007 Actual 1	2007-2008 Adopted 2	2008-2009 Adopted 3	% Change (2 to 3)
Community Development Improvements				
Fair Housing	\$ 329,944	\$ 329,944	\$ 342,481	3.8%
Housing Improvement Program	2,884,302	4,152,372	3,438,598	(17.2%)
Economic Development	808,609	2,371,713	2,915,080	22.9%
Capital Projects	2,051,498	3,502,662	3,934,464	12.3%
Planning Studies	391,040	404,339	420,654	4.0%
City Programs	3,610,440	4,604,149	4,959,048	7.7%
Total	\$ 10,075,833	\$ 15,365,179	\$ 16,010,325	4.2%

Community Development Block Grant

Budget Category: Community Development Improvements

Budget Category Summary (Cont'd.)

The following projects were approved for funding in the 2008-2009 Adopted Budget from the Community Development Improvements (CDI) allocation:

Adopted Allocation	Rebudgeted Prior Year's Fund (\$)	2008-2009 Entitlement (\$)	2008-2009 Total Adopted (\$)
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FAIR HOUSING

Fair Housing Investigation and Enforcement Services (Law Foundation)	\$	\$ 237,235	\$ 237,235
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This project provides comprehensive fair housing services such as counseling, consultation, investigation, and legal representation by conducting an intensive multi-lingual outreach campaign and by partnering with a wide spectrum of social service providers.

Legal Aid Society Fair Housing Counseling (Legal Aid Society of Santa Clara County)		105,246	105,246
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This project provides comprehensive fair housing services to San José residents. These services consist of legal representation, fair housing counseling, community outreach that includes multi-lingual forums, and printed information.

Subtotal – Fair Housing:	\$	\$ 342,481	\$ 342,481
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HOUSING IMPROVEMENT PROGRAM

Housing and Emergency and Minor Repair Program (Housing Department)	\$ 270,000	\$ 447,098	\$ 717,098
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This project provides direct services to low-income homeowners and is designed to correct health and safety problems, improve accessibility, and improve home energy efficiency for low-income families.

Housing Rehabilitation – Single and Multi-Family (Housing Department)		2,500,000	2,500,000
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This project provides financial and technical assistance to low-income property owners and landlords renting to low-income tenants. The loans and grants are for emergency repairs to maintain decent, safe, and sanitary living conditions and to rehabilitate dwellings to extend their useful life for occupancy by low-income households. The project also provides funding to improve the exteriors of properties to enhance livability.

Community Development Block Grant

Budget Category: Community Development Improvements

Budget Category Summary (Cont'd.)

Adopted Allocation	Rebudgeted Prior Year's Fund (\$)	2008-2009 Entitlement (\$)	2008-2009 Total Adopted (\$)
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HOUSING IMPROVEMENT PROGRAM (CONT'D.)

Low-Income and Senior/Disabled Person Housing Repair Program (Rebuilding Together Silicon Valley)	\$	\$ 221,500	\$ 221,500
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This project repairs, rehabilitates, and upgrades 40-50 housing units for very low-income residents in San José. A majority of the clients are seniors and/or people with disabilities.

Subtotal – Housing Improvement Program:	\$ 270,000	\$ 3,168,598	\$ 3,438,598
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ECONOMIC DEVELOPMENT

Clean and Green Economic Development (Lenders for Community Development)	\$	\$ 600,000	\$ 600,000
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This project provides workshops about new clean and green business opportunities and a computer based “navigator” that will connect business owners to services, resources, and assistance targeted to clean and green industries.

Microcredit San Jose (Lenders for Community Development)		211,752	211,752
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The project provides financial and technical assistance to micro-enterprise businesses in San José. The program will provide 60 loans to small business owners and training in business strategy.

Revolving Loan Fund Expansion (Housing Department)		800,000	800,000
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The project provides a revolving loan fund for small business loans, leveraged with Economic Development Administration (EDA) funds and private funding sources in the Title IX area, and leveraged outside the Title IX area solely through private funding sources. The project also provides start-up and stay-up business management training, counseling, and technology mentoring to small business owners and entrepreneurs. The project results in the creation of new jobs, which will be filled primarily by low-income San José residents.

San José/Silicon Valley Center for Entrepreneurial Development (Santa Clara County Black Chamber of Commerce)		100,171	100,171
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The project provides funding for small business incubator office space, entrepreneurial training, management, technical assistance, subsidized rent, shared support services, and other resources for low-income San José residents.

Community Development Block Grant

Budget Category: Community Development Improvements

Budget Category Summary (Cont'd.)

Adopted Allocation	Rebudgeted Prior Year's Fund (\$)	2008-2009 Entitlement (\$)	2008-2009 Total Adopted (\$)
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ECONOMIC DEVELOPMENT (CONT'D.)

San José Smart Start Family Child Care (San José Public Library)	\$	\$ 403,157	\$ 403,157
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This project provides funding to train and assist prospective home childcare operators as well as provide retention services to new home childcare operators. This project supports the City's Early Childhood Education initiative in that it helps create and retain family childcare businesses.

Shopping Center Improvement (Office of Economic Development)	400,000		400,000
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This pilot program provides improvements to shopping centers that will result in improved conditions within blighted neighborhoods and the creation of economic opportunities for low- and moderate-income individuals.

Small Business Incubator (Office of Economic Development)		400,000	400,000
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This project provides short-term business and financial education in conjunction with long-term business incubation, asset development, and social responsibility to support first-generation immigrants to establish or expand micro-enterprises.

Subtotal – Economic Development:	\$ 400,000	\$ 2,515,080	\$ 2,915,080
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COMMUNITY CAPITAL PROJECTS

Community Capital Projects – Funding was approved for the following capital projects sponsored by community groups:

Blind Rehabilitative Center (Santa Clara Valley Blind Center)	\$	\$ 471,550	\$ 471,550
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This project provides funding for improved access to an existing facility that provides rehabilitative services to the blind.

Cafeteria and Nutrition Center (San José Conservation Corps and Charter School)		380,226	380,226
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This project provides for the rehabilitation of a full service cafeteria serving over 200 low-income young adults who attend the San José Conservation Corps and Charter School and their children who attend the on-site day care facility.

Community Development Block Grant

Budget Category: Community Development Improvements

Budget Category Summary (Cont'd.)

Adopted Allocation	Rebudgeted Prior Year's Fund (\$)	2008-2009 Entitlement (\$)	2008-2009 Total Adopted (\$)
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COMMUNITY CAPITAL PROJECTS (CONT'D.)

Daycare Center (San José Conservation Corps and Charter School)	\$	\$ 88,861	\$ 88,861
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This construction project will rehabilitate an existing office building to provide day care services for children of low-income students in the charter school.

Yu-Ai-Kai Acquisition (Japanese-American Community Senior Services)		250,000	250,000
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This construction project will rehabilitate the Senior Wellness Center and Boys and Girls Club House. This project will allow the agency to move its administrative and service staff, creating additional space to support a greater number of clients.

Subtotal – Community Capital Projects:	\$	\$ 1,190,637	\$ 1,190,637
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CITY CAPITAL PROJECTS

City Capital Projects – Funding was approved for the following capital projects sponsored by City Departments:

ADA Compliance Improvements (Housing Department)	\$ 262,727	\$	\$ 262,727
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This project will retrofit and repair CDBG-funded facilities to meet federal disability access standards.

Green Retrofit (Environmental Services Department)		500,000	500,000
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This project will retrofit existing municipal structures with green technology, including energy audits, water management, cool and green roofs, energy/green building education/outreach, and green job training.

Green Streets Project (Department of Transportation)		425,000	425,000
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This project will plant and establish 500 street trees and convert 100 streetlights to white programmable light-emitting diode (LED) lights.

Community Development Block Grant

Budget Category: Community Development Improvements

Budget Category Summary (Cont'd.)

Adopted Allocation	Rebudgeted Prior Year's Fund (\$)	2008-2009 Entitlement (\$)	2008-2009 Total Adopted (\$)
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CITY CAPITAL PROJECTS (CONT'D.)

SNI Curb Ramp Improvements (Department of Transportation)	\$	\$ 1,000,000	\$ 1,000,000
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This project installs 250 curb ramps at intersections in SNI neighborhoods to meet Americans with Disability Act (ADA) requirements on existing sidewalks, specifically in school walking routes, near parks and areas with a high elderly ratio.

Streetlight Installation (Department of Transportation)	150,000		150,000
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This project installs a new streetlight to improve pedestrian safety in the Burbank/Del Monte SNI area.

Traffic Signal Installation (Department of Transportation)	406,100		406,100
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This project provides for the installation of a traffic signal to improve pedestrian safety in the Burbank/Del Monte SNI area.

Subtotal – City Capital Projects:	\$ 818,827	\$ 1,925,000	\$ 2,743,827
Subtotal – All Capital Projects:	\$ 818,827	\$ 3,115,637	\$ 3,934,464

PLANNING STUDIES

Strong Neighborhoods Initiative (SNI)/ Special Neighborhood Projects (Planning, Building and Code Enforcement Department)	\$	\$ 420,654	\$ 420,654
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This project includes revitalizing neighborhoods through the amendment of 19 adopted SNI improvement plans and preparation of a new comprehensive Neighborhood Improvement Plan. Project activities include data gathering and analysis, historic preservation-related studies and surveys to identify potential new historic landmark districts and special studies of each project plan to identify potential neighborhood improvements.

Subtotal – Planning Studies:	\$	\$ 420,654	\$ 420,654
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Community Development Block Grant

Budget Category: Community Development Improvements

Budget Category Summary (Cont'd.)

Adopted Allocation	Rebudgeted Prior Year's Fund (\$)	2008-2009 Entitlement (\$)	2008-2009 Total Adopted (\$)
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CITY PROGRAMS – Funding was approved for the following CDBG services performed by City departments. Staffing and other expenses for these projects are included in the operating budgets of the applicable City department.

ADA Survey (Housing Department)	\$	\$ 50,000	\$ 50,000
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This project provides for the survey of CDBG-funded projects to determine compliance with HUD disability access requirements.

CDBG Program Accounting Services (Finance Department)		227,253	227,253
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This project provides for the financial administration and grant accounting services for the CDBG and Housing Rehabilitation Programs.

CDBG Program Development and Monitoring (Housing Department)		1,188,988	1,188,988
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This project provides planning and administration of the CDBG Program, including technical assistance and monitoring of all CDBG-funded projects.

City of San José Code Enforcement: Low-Moderate Area (LMA) (Planning, Building and Code Enforcement Department)	416,000	3,046,807	3,462,807
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This project preserves and improves the quality of existing affordable housing units in low-income areas through code enforcement and inspection services. The program uses code enforcement activities to correct substandard housing, eliminate code violations, and improve the quality of life for low-income residents. It also targets business code violations as well as neighborhood violations of blight, vehicle, and health and safety codes.

Environmental Review Services (Planning, Building and Code Enforcement Department)		30,000	30,000
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This project provides professional services for California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) review of CDBG projects.

Subtotal – City Programs:	\$ 416,000	\$ 4,543,048	\$ 4,959,048
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Total All CDI Programs	\$ 1,904,827	\$ 14,105,498	\$ 16,010,325
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